



REPORT OF:	HEAD OF FINANCE (CFO)
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TO:	EXECUTIVE
DATE:	25 JANUARY 2018
EXECUTIVE MEMBER:	COUNCILLOR T SCHOFIELD

KEY DECISION REQUIRED:	YES
WARD (S) AFFECTED:	All

SUBJECT:	COUNCIL TAX SETTING 2018/19
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RECOMMENDATIONS:

1. It be noted that on 14 December 2017 the Council calculated:
 - (a) the Council Tax base 2018/19 for the whole Council as **59,781**
[Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")] and,
 - (b) for dwellings in those parts of its area to which a Parish precept relates:

Horley Town Council	9,522
Salfords & Sidlow Parish Council	1,386
2. Calculate that the Council Tax requirements for the Council's own purposes for 2018/19 (excluding Parish precepts) is **£13,202,695**
3. That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act:
 - a. **£70,461,931** – being the amounts which the Council estimates for the items set out in Section 32(2) of the Act taking into account all precepts issued to it by Parish Councils
 - b. **£56,876,638** – being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.
 - c. **£13,585,293** – being the amount which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 32(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 32(4) of the Act).
 - d. **£227.25** – being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - e. **£382,598** - being the aggregate amount of all special items (Parish precepts)

referred to in Section 34(1) of the Act (as per the attached Appendix).

- f. **£220.85** - being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
 - g. Horley Town Council- **£257.75**
Salfords & Sidlow Parish Council -**£243.40**
Being the amounts given by adding to the amount at 3(f) above the amounts of the special items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.
4. It be noted that the figures in the attached Appendix being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportions set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of dwellings listed in different valuation bands.
 5. It be noted that for the year 2018/19 Surrey County Council and Surrey Police have stated amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown in Appendix 2.
 6. Having calculated the aggregate in each case of the amounts 1 to 5, above, the Council, in accordance with Section 30(2) of the Act, hereby sets the amounts of Council Tax for the year 2018/19 for each of the categories of dwellings shown in Appendix 3.
 7. Authorise the Chief Finance Officer to make any amendments to the Council Tax demands as might prove necessary as the result of changes to the estimated demands issued by preceptors on the Council's Collection Fund.

REASONS FOR RECOMMENDATIONS:

The *Local Government Finance Act 1992* sets out the requirement for local authorities to set a budget for the next financial year. This report provides the information to fulfil that requirement. Under the Constitution the Executive considers a proposed budget and Council Tax, before then making a recommendation on the appropriate level of Council Tax to full Council. Following consideration, Council may then authorise the budget and Council Tax.

EXECUTIVE SUMMARY:

This report will enable this Council to collect Council Tax for 2018/19 on behalf of itself and its precepting bodies.

Recommendations 1 – 7 are subject to approval by the Council.

STATUTORY POWERS

1. The *Local Government Finance Act 1992* (the Act) sets out the requirement for local authorities to set a budget for the next financial year. The full Council of the authority is formally required to approve the budget and for Council Tax to be levied. Under the Council's Constitution the Executive considers a proposed budget and Council Tax, in order to make a recommendation on the appropriate level of Council Tax to the full Council.
2. Reigate & Banstead Council, in common with other District and Borough Councils, acts as a Council Tax collection agent for other organisations, known as "preceptors" on the Council's Collection Fund. Reigate & Banstead's preceptors are Surrey County Council, Surrey Police, Horley Town Council and Salfords and Sidlow Parish Council. The majority of Council Tax paid by residents of the borough is collected on behalf of these precepting authorities.
3. At the time of writing the final precepts from Surrey County Council and the Surrey Police are not known. They are holding their budget setting meetings in early February. All information relating to the precepts presented in this report is based on the latest available estimates, for illustrative purposes, and may therefore be subject to change.

ISSUES

4. The purpose of this report is to propose the technical recommendations which Council will need in order to comply with the Act and set a legally compliant budget.
5. Annex 1 sets out, in accordance with the legislation, the calculation of the Borough's and the Parish/Town Councils' basic amounts of tax. That is, the taxes for a Band D property.
6. The calculations below have been based on the assumption that the Executive will recommend a budget at that level for acceptance by Council. Any changes by the Executive will, of course, be incorporated into the recommendation to Council in February.
7. **Salfords and Sidlow Parish Council** set their budget on 11 December 2017 based upon an amount of £22.55 for a Band D dwelling which is a decrease of £0.03 for a Band D dwelling.
8. **Horley Town Council** set their budget on 12 December 2017 based upon an amount of £36.90 for a Band D dwelling which is an increase of £0.96 from 2017/18.
9. **Reigate and Banstead Borough Council's** proposed annual Band D Council Tax rates are as follows:

- £220.85 (or £4.25 per week) in non-parished areas (i.e. the Borough's Council Tax)
 - £257.75 (or £4.96 per week) in the Horley Town Council area
 - £243.40 (or £4.68 per week) in the Salfords and Sidlow Parish Council area.
10. The Council has previously decided to treat all its expenditure as a general expense on the whole of the Borough and not to designate any special expense areas (for example, for parish/town Council areas) (minute no. 5(i)(5), page 623 1993/94 refers). All residents therefore pay the same basic amount for borough services for a Band D property, subject to statutory exemptions, reliefs and discounts.
11. **Surrey County Council** is due to set its budget in February 2018. For the purposes of this report a 5.99% increase in their council tax rate has been assumed. This equates to a Band D Council Tax of £1,411.31. The calculations shown in Tables 1, 2 and 3 are therefore illustrative only, in order to show what the Band D Council Tax for the average Council Taxpayer might look like. The Executive is recommended to authorise the Chief Finance Officer to make such amendments as are necessary to this report in order to reflect the final demand from the County Council in the report to Council in February 2018.
12. **Surrey Police** is due to set its budget in early February 2018 with a proposed increase of £12 in their council tax rate. Again, the calculations in Tables 1, 2 and 3 are illustrative only, in order to show what the Band D Council Tax for the average Council Taxpayer might look like. The Executive is recommended to authorise the Chief Finance Officer to make such amendments as are necessary to this report in order to reflect the final demand from the Surrey Police in the budget report to Council on 8 February 2018.
13. The 2018/19 Council Tax for each area of the Borough is as detailed in Annexes 2, 3 and 4. In summary, the total to be collected in 2018/19 is shown in Table 1 below.

Table 1: Analysis of Council Tax by Preceptor

Authority	£000	% share
Surrey County Council	84,369.5	75.26%
Surrey Police	14,142.3	12.62%
Reigate & Banstead BC	13,202.7	11.78%
Horley Town Council	351.3	0.31%
Salfords & Sidlow Parish Council	31.3	0.03%
Total to be collected	112,097.1	100%

14. An analysis of the individual Council Tax elements is set out in Table 2 overleaf.

Table 2: Analysis of Council Tax Changes by Preceptor

Authority	2018/19	2017/18	Increase/Decrease	
	£	£	£	%
Surrey County Council	1,411.31	1,331.55	79.76	5.99%
Surrey Police	236.57	224.57	12.00	5.34%
Reigate & Banstead BC	220.85	214.44	6.41	2.99%
Horley Town Council	36.90	35.94	0.96	2.66%
Salfords & Sidlow Parish Council	22.55	22.58	-0.03	-0.12%
Totals	1,928.18	1,829.08	99.10	5.42%

15. The total figures above are for statutory reporting purposes only. The actual levels of Council Tax to be paid, given the assumptions about the precepts, are shown in Table 3 below.

Table 3: Actual Council Tax Payable at Band D

Area	Borough & Parish Services £	County & Police Services £	Total Payable at Band D £
Horley Town Council	257.75	1,647.88	1,905.63
Salfords & Sidlow Parish Council	243.40	1,647.88	1,891.29
Rest of the Borough	220.85	1,647.88	1,868.74

OPTIONS

16. Unlike some previous years, there is no Council Tax Freeze Grant available for 2018/19.
17. The budget is based on a recommended Council Tax rise of £6.41 (or 2.99%) in 2018/19.

LEGAL IMPLICATIONS

18. The legal implications of this report are fully covered in the statutory powers and issues sections.

FINANCIAL IMPLICATIONS

19. The financial implications of this report are fully covered in the issues section.

EQUALITIES IMPLICATIONS

20. There are no direct equalities implications arising from this report.

RISK MANAGEMENT CONSIDERATIONS

21. These are explored in the Budget 2018/19 report elsewhere on the agenda.

OTHER IMPLICATIONS

22. There are no other implications.

CONSULTATION

23. The budget proposals were circulated to the business community via the monthly Business e-bulletin (which has approximately 1,000 recipients).

POLICY FRAMEWORK

24. Approval of the annual General Fund Budget and determination of the Council Tax is a function of full Council under the Council's constitution (Article 4.12).

Background Papers:

Council Tax Base 2018/19
Council
14 December 2017
Budget 2018/19
Executive
25 January 2018

COUNCIL TAX 2018/19

REIGATE AND BANSTEAD'S AND PARISH/TOWN COUNCILS' BASIC AMOUNTS OF TAX

	RBBC average including parishes	RBBC excluding parishes	Horley Town Council area	Salfords & Sidlow Parish Council area
Tax base	59,781	59,781	9,522	1,386
	£	£	£	£
Gross expenditure (Borough)	70,079,333	70,079,333	70,079,333	70,079,333
Income (Borough)	-55,084,800	-55,084,800	-55,084,800	-55,084,800
	14,994,533	14,994,533	14,994,533	14,994,533
Contribution to Capital	500,000	500,000	500,000	500,000
NET BOROUGH BUDGET	15,494,533	15,494,533	15,494,533	15,494,533
Horley TC precept	351,333	0	351,333	0
Salfords & Sidlow PC precept	31,265	0	0	31,265
BUDGET REQUIREMENT	15,877,131	15,494,533	15,845,866	15,525,798
General government grant	-2,291,838	-2,291,838	-2,291,838	-2,291,838
Council Tax freeze grant	0	0	0	0
Local Council Tax Support grant	0	0	0	0
TOTAL	13,585,293 *	13,202,695	13,554,028	13,233,960
BASIC AMOUNT OF TAX	227.25	220.85	257.75	243.40
* Demand on Collection Fund				

COUNCIL TAX 2018/19

SETTING OF TOTAL COUNCIL TAX (INCLUDING BOROUGH & ALL PRECEPTING AUTHORITIES) - BASIC AMOUNT (BAND D)

AUTHORITY	AREA		
	Reigate & Banstead	Horley TC	Salfords & Sidlow PC
	£	£	£
Reigate & Banstead *	220.85	257.75	243.40
Surrey County Council	1,411.31	1,411.31	1,411.31
Surrey Police	236.57	236.57	236.57
TOTAL	<u>1,868.74</u>	<u>1,905.63</u>	<u>1,891.28</u>
* Including Parish and Town Council where appropriate			

COUNCIL TAX 2018/19

VALUATION BANDS								
COUNCIL AREA	A £	B £	C £	D £	E £	F £	G £	H £
1. AMOUNTS OF TAX FOR REIGATE AND BANSTEAD BOROUGH COUNCIL, HORLEY TOWN COUNCIL AND SALFORDS AND SIDLOW PARISH COUNCIL								
Horley Town Council area	171.83	200.47	229.11	257.75	315.03	372.31	429.58	515.50
Salfords and Sidlow Parish Council are	162.27	189.31	216.36	243.40	297.49	351.58	405.67	486.80
Rest of Borough	147.23	171.77	196.31	220.85	269.93	319.01	368.08	441.70
2. AMOUNTS OF TAX FOR SURREY COUNTY COUNCIL AND SURREY POLICE								
Surrey County Council precept	940.87	1097.69	1,254.50	1,411.31	1,724.93	2,038.56	2,352.18	2,822.62
Surrey Police precept	157.71	184.00	210.28	236.57	289.14	341.71	394.28	473.14
3. TOTAL AMOUNTS OF COUNCIL TAX FOR 2018/19								
Horley Town Council area	1,270.41	1,482.16	1,693.89	1,905.63	2,329.10	2,752.58	3,176.04	3,811.26
Salfords and Sidlow Parish Council are	1,260.85	1,471.00	1,681.14	1,891.28	2,311.56	2,731.85	3,152.13	3,782.56
Rest of Borough	1,245.81	1,453.46	1,661.09	1,868.73	2,284.00	2,699.28	3,114.54	3,737.46